

are qualified for employment in the coastwise trade and which are either non-self propelled or, if self-propelled, are of less than 500 gross tons.

(b) A vessel owned by an 883-1 corporation and meeting the criteria in paragraph (a) of this section may be documented only for use in the coastwise trade subject to the restrictions in § 68.17.

(c) Section 68.19 contains details concerning the documentation of vessels by an 883-1 corporation.

[CGD 80-107, 47 FR 27511, June 24, 1982. Redesignated and amended by USCG-2005-20258, 71 FR 61418, Oct. 18, 2006]

§ 68.15 Privileges conferred—operation of vessels.

(a) The special citizenship status created by the Act entitles the 883-1 corporation to operate, subject to the restrictions in § 68.17, vessels which are qualified to engage in the coastwise trade and are exempt from documentation. (See § 67.9 for classes of exempt vessels.)

(b) Vessels, documented or exempt from documentation, employed subject to the Act may carry passengers and merchandise of the 883-1 corporation owning such vessels only between points in the United States, including territories, districts, and possessions thereof embraced in the coastwise laws.

(c) The special citizenship status created by the Act entitles an 883-1 corporation owning vessels as described in paragraphs (a) and (b) of this section to transport merchandise or passengers for hire in the coastwise trade as a service for a duly qualified parent or subsidiary corporation as defined in § 68.3.

(d) The special citizenship status created by the Act entitles an 883-1 corporation owning vessels as described in paragraphs (a) and (b) of this section to demise or bareboat charter such vessels to common or contract carriers subject to the restrictions in § 68.17(c).

[CGD 80-107, 47 FR 27511, June 24, 1982, as amended by USCG-2002-13058, 67 FR 61279, Sept. 30, 2002. Redesignated and amended by USCG-2005-20258, 71 FR 61418, Oct. 18, 2006]

§ 68.17 Restrictions.

(a) Vessels employed subject to the Act are entitled to operation only in the coastwise trade and only to the extent described in paragraphs (b) and/or (c) of this section.

(b) A vessel owned by an 883-1 corporation may engage in coastwise transportation for hire as a service to a parent or subsidiary corporation as defined in § 68.3. Such transportation for hire must be between points of the United States, including territories, districts, and possessions thereof embraced in the coastwise laws.

(c) A vessel owned by an 883-1 corporation may be operated under demise or bareboat charter to a common or a contract carrier subject to 49 U.S.C. Chapter 101 if the corporation is a U.S. citizen as defined in 46 U.S.C. App. 802.

(1) Such common or contract carrier may not be connected either directly or indirectly by ownership or control with the 883-1 corporation.

(2) The demise or bareboat charter must be at prevailing rates.

(3) The vessels under a demise or bareboat charter may not be used in non-contiguous trade.

[CGD 80-107, 47 FR 27511, June 24, 1982, as amended by CGD 95-028, 62 FR 51203, Sept. 30, 1997. Redesignated and amended by USCG-2005-20258, 71 FR 61418, Oct. 18, 2006]

§ 68.19 Application by an 883-1 corporation to document a vessel.

(a) An application by an 883-1 corporation to document a vessel must comply with the applicable requirements in subparts A, D, E, F, G, H, I, K, and L of part 67 of this chapter.

(b) An application by an 883-1 corporation to document a vessel must include a copy of the Certificate of Compliance issued under § 68.7.

[CGD 95-014, 60 FR 31606, June 15, 1995. Redesignated and amended by USCG-2005-20258, 71 FR 61418, Oct. 18, 2006]